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CONFIDENTIAL AMMAN 002790

SIPDIS

SECSTATE PASS TO USTR

E.O. 12958: DECL: 04/08/2014

TAGS: ETRD KIPR JO SUBJECT: JORDAN'S DPM ON IPR ISSUES, PRE-INSPECTION

SUMMARY

(C) Jordan's Deputy Prime Minister and Minister of Industry and Trade, when confronted with the first known U.S. exporter casualty of Jordan's pre-inspection program, promised to look into the case and said that the government is trying to work out a formula for freezing inspections of U.S. goods due to the FTA. Jordanian officials acknowledged that the program was inconsistent with WTO rules, at best. On other business, the DPM said revised amendments to the copyright law could go to Parliament in the summer's extraordinary session and that the Cabinet had approved Jordan's accessions to the Patent Cooperation Treaty and the Madrid Protocol dealing with trademarks; the relevant laws would be amended and submitted to Parliament. END SUMMARY.

DAMMAN Takes A Victim

- 12. (C) In a March 31 meeting with Mohammad Halaiqa, Jordan's Deputy Prime Minister and Minister of Industry and Trade, the Ambassador continued to press USG concerns about Jordan's pre-inspection program for imports, known as Damman. Halaiqa replied that the value of the U.S. goods checked under the program to date had amounted to only \$8.08 million and had consisted of computers, tires, refrigerators, cars, and toys. He stated that of the 498 products, only 268 were U.S.-origin and that the detected failures had all occurred only in U.S. transshipment products originally produced in Taiwan and China.
- (C) Halaiga added that the government is trying to work on a formula under which Jordan could freeze the inspections of U.S. products due to the Free Trade Agreement with the U.S. Halaiqa asserted that the Director General of the Jordan Institute for Standards and Metrology believes that, in any event, Damman violates WTO rules and other Jordanian trade officials feel that it is, at a minimum, inconsistent with WTO rules.
- In response, the Ambassador presented Halaiga with a case in which a U.S. company had decided to cancel an \$80,000 sale of freezers to Jordan due to the cost and inconvenience of the testing, documentation and pre-inspections required under Damman. He said that the U.S. is becoming increasingly angry because Damman constitutes a constraint on trade. This particular case would never have appeared in Jordan's trade statistics and there was no way of knowing how many other similar cases there might be. In addition, continued the Ambassador, the U.S. is unhappy that its companies are being asked to comply with European standards, and that the process is monitored by a European company. The Ambassador emphasized that the USG would continue to raise the matter. It was indeed inconsistent with our trading relationship. It was the principle not the size of affected trade that was this issue.
- (C) Halaiqa asked for the details of the case raised by The Ambassador and said, "We will try to solve the problem. The Ambassador said that we were only at the beginning of this problem and warned that it will grow as trade grows.
- (SBU) NOTE: Subsequently, a representative of the company involved in the freezer case called to thank the Embassy for its help, reporting that the DPM's office had called him to inquire into the case. END NOTE.

Progress in IPR

The Ambassador asked Halaiqa about the status of a number of IPR steps Jordan was taking. Halaiqa said that the amendments to the copyright law might go to Parliament in the summer's extraordinary session and that the government had issued a circular to all GOJ departments and offices on software. The Cabinet had approved both the Patent Cooperation Law and the Madrid Protocol, addressing one of the conditions precedent for the second transfer of FY04 AID assistance. The government's legal bureau was currently

developing the required amendments to the relevant laws and, he expected, the drafts would be completed before June 1. Once complete, the amendments would be presented to Parliament for approval.

GNEHM